

2025 Annual General Meeting

Chair's Address

Today marks an important moment in our Company's evolution. In September, Wayne Hooper concluded his tenure as Chief Executive Officer. His impact on this organisation has been profound and lasting. Most recently, Wayne led a comprehensive program of capital investment that has transformed our operational capacity and competitive positioning. I'm delighted that Wayne will continue contributing to Laserbond as an Executive Director, where his extensive technical knowledge and deep understanding of our industry will prove invaluable.

At the same time, we're privileged to have Rob Freeman join us as CEO. With two decades of leadership across manufacturing sectors, Rob brings exactly the experience we need for our next phase of growth. His prior engagement with LaserBond means he arrives with genuine familiarity of our business model and organisational culture. The overlap between our outgoing and incoming CEOs creates a strong opportunity, with Rob benefitting from Wayne's knowledge accumulated over three decades, while bringing contemporary thinking to our strategic direction.

Over the last two years, we've committed significant resources to building organisational capability – bringing in experienced leaders, hiring skilled tradespeople, modernising facilities, and implementing advanced technology.

As expected, these expenditures weighed on our first-half results. The second half, however, told a different story. We saw revenue lift by more than 14% versus the preceding six months, with corresponding improvements in bottom-line profitability. This turnaround stems from several collective factors: the workforce we recruited throughout 2024 reached full productivity, efficiency improvements took hold across our network, and cost-reduction strategies began yielding results.

Building leadership depth has also been particularly important. Last year's appointments to critical roles – including our engineering, operations, and sales functions – have strengthened our ability to execute and compete.

Our long-term ambition for geographic expansion remains unchanged. However, in April we chose to defer our proposed entry into United States markets, responding to heightened global economic volatility. This decision enables us to concentrate on Australian opportunities where we're already seeing excellent outcomes from recent investment.

Domestically, we're growing by staying financially healthy, working efficiently and expanding our customer base. Ongoing investments in facility upgrades, system improvements, and standardised processes are building the foundation for a business of genuine scale.

Gateway exemplifies our strategic approach. Our 40% ownership stake has opened access to Western Australia's sizeable market. The expansion of their facility now houses our surface engineering operations, giving us the nationwide presence that major clients increasingly expect when selecting partners.

Our modular laser cladding technology stands out as a transformative innovation. The first system, now generating revenue in Western Australia, is helping Gateway reach customers beyond their core mining base and access new sectors.

The infrastructure and capability we've built over recent years fundamentally changes what LaserBond can achieve. These investments have established a platform for sustained growth.

CEO's Address

Good morning.

It's a privilege to stand before you today at my first Annual General Meeting as CEO of LaserBond. After three months in the role, I want to begin by saying I appreciate the warm welcome I've received from our team across all locations, our Board, and our partners. It's been an energising start, and I'm excited about the journey ahead.

LaserBond is a company with a proud history and a clear purpose – to extend the life and performance of industrial components through world-class surface engineering. What I've seen in my first 90 days only reinforces my belief that we are well positioned to lead in these markets. Of course, customers always rightly expect more in a competitive environment, and we are up to the challenge.

At the heart of LaserBond is a team of highly skilled, deeply committed people. The level of technical expertise across our business is inspiring. From R&D to operations, from customer engagement to innovation – our people are not only keeping pace with change, they are also hard at work solving the next problem for our customers, I'm excited to share a little more on that later.

We continue to invest significantly in research and development, and that investment is paying dividends. It's enabling us to stay ahead of the curve, to solve complex problems for our customers, and to develop new technologies that will shape the future of our industry.

Why LaserBond

Prior to joining the LaserBond team, I often looked at the business with great respect for the technology and continual innovation I saw – it was always impressive.

LaserBond has spent decades building great products, never resting on their last achievement, always listening to customers and working in partnership to create more sustainable solutions that just work. The culture I now see firsthand is one where the team are super proud of what they do and just get on with it day after day. With these foundations, the business is well positioned to scale.

What I bring to LaserBond is a history of growing businesses by providing purpose, discipline and clear leadership to everything we do with a clear view of where we will be as a business in 5 and 10-years' time. We will understand our customers in every detail, recognising their challenges as new opportunities for LaserBond.

I'm not one to accept the status quo. Our competitors are constantly trying to emulate or surpass us, which reinforces what we need to do to succeed at LaserBond. This is particularly important as we pursue growth in international markets, where understanding our customers deeply must be central to our decisions, ensuring we understand the risks of expanding into new countries. Staying focussed on the

customer and making the smart choices for sustainable growth will require clear direction, discipline and strong leadership. These are the type of challenges I'm energised by.

I'm genuinely excited about the opportunity to work with innovative technology while building the business. It's rare to find both elements together, and it's what drew me to this role.

FY25 Financial Performance

The Company's FY25 results demonstrated the progress LaserBond has made and validate the investments that have been made in the business.

We delivered revenue of \$43.5 million, up 3.6% on the prior year, with second-half revenue of \$23.2 million, up 14.2% on the first half. Net profit after tax reached \$3.8 million, up 10.4% on the prior year, with second-half NPAT of \$2.8 million, up 169.5% on the first half.

This was very much a tale of two halves. Our first-half performance reflected a deliberate period of strategic investment – we focused on enhancing productivity across our operations, optimising how we deploy our resources, and strengthening both our sales capability and R&D efforts to reach new customers and sectors.

The benefits materialised strongly in the second half. We achieved 10.2% gross profit growth in the second half compared to the first half, as recently onboarded skilled staff became fully integrated and effective. We recorded our best-ever production output months across all LaserBond facilities during the second half. These investments are now translating into real commercial outcomes: we're running at higher capacity, our sales pipeline has deepened significantly, we're serving customers across a wider range of industries, and we're seeing stronger activity levels at every site.

Segment Performance

Across our three operating segments, we're seeing strong momentum.

Our Services segment grew revenue by 18.4% year-on-year, reaching \$14.6 million in the second half, up 11.9% on the first half. The successful launch of our Quick Response Team initiative, introduced initially in Queensland and now expanded across all facilities, is improving operational performance and reducing lead times. With increased capabilities and capacity across all sites, we're strongly positioned to continue these growth rates.

Our Products segment recovered well after first-half disruptions affecting original equipment manufacturer (OEM) demand. We implemented targeted initiatives to stabilise ordering patterns, and production volumes responded accordingly in the second half. Looking ahead, we anticipate order volumes in FY26 to remain consistent with FY25, with further upside potential from new LaserBond-branded offerings we're bringing to market, particularly components designed for the oil and gas sector. The strength of our long-standing OEM partnerships, coupled with ongoing operational improvements and our innovation pipeline, positions us well for growth beyond Australia.

Our Technology segment achieved a significant milestone, delivering our first modular LaserBond laser-cladding cell on arm's-length commercial terms to Gateway, with laser cladding revenue generated from June 2025. More importantly, we're seeing significant interest from potential licensees. Just two months

into the new financial year, we secured a licensing deal valued at \$2.3 million with Komatsu in earthmoving and mining equipment manufacturing, to be delivered in the second half of FY26. This strategic global partnership confirms the commercial appeal of our technology and marks what we expect will be the first of multiple licensing opportunities with them.

I'm pleased to share that our pipeline of new licensing deals continues to grow, with two additional OEM deals in advanced stages of negotiation.

Gateway completed a significant investment program, expanding its facility from 15,000 to 25,000 square metres with new machinery installations. With LaserBond's first modular laser cladding cell now operational, the business can expand beyond its traditional mining customer base, with active engagement already underway from large OEMs.

Challenges and Resilience

We are not immune to global challenges. One of the most pressing issues we've faced this year is the restricted availability of tungsten carbide – a critical material in our processes – due to China's export controls on rare and critical minerals.

The Company anticipated this risk early and took decisive action. We boosted our inventory, diversified our supply chain, and began working closely with customers to explore alternative materials and formulations. Our R&D team has been instrumental in developing new solutions that maintain performance while reducing dependency on constrained resources. Whilst the supply situation will eventually resolve itself, we are not standing still using hope as our only strategy to keep our customers satisfied.

This is a great example of LaserBond's resilience – our ability to adapt, innovate, and continue delivering value even in uncertain conditions.

International Expansion

This year, we made the decision to pause our planned expansion into the United States. This was not a decision taken lightly, but one made in response to ongoing geopolitical uncertainties and the evolving landscape of international trade, particularly around tariffs and regulatory conditions.

Having said that, the US remains an attractive and important market for LaserBond. We already serve customers there who value our technology and the performance advantages it delivers. We continue to monitor the situation closely and are actively reviewing our options for future expansion into the US market. When the timing is right, we will be ready to move forward with confidence on how we manage the risks and capitalise on the market opportunity.

Strategic Outlook

Looking ahead, our strategy is anchored by four core pillars: Geographic Expansion, Capacity and Capability Enhancement, Innovation Leadership and Technology Integration. These pillars guide our long-term focus and investment priorities and represent the 'What' we do.

Complementing these four pillars are two strategic themes or the 'how' we deliver our strategy: these are 'Digital First' and 'World Class'.

World Class is about continuing to lead in technical excellence, product development, and customer outcomes. It's about setting the benchmark in our industry – not just meeting expectations but exceeding them. LaserBond has a rich history of innovation, and this will remain a founding principle of our long-term success. For example, LaserBond must remain a leader when it comes to laser technologies for surface engineering applications, there is no question here and it guides our investment in R&D. To expand in the market of laser cladding, we must continue to innovate at a world-class level.

Our second theme, **Digital First**, is about building a scalable, efficient business architecture that leverages digital tools and artificial intelligence. For example, the deployment of AI-powered analytics in our Customer Relationship Management systems to provide real time solutions for our customers and generate better service efficiency for us internally. This will allow us to further streamline operations, enhance decision-making, and unlock new growth opportunities – all while maintaining the agility that defines us. Alongside general business improvements will be higher conversion rates of our quotes to new business as one example.

Together, these strategic themes will ensure we are disciplined in how we implement our strategy across the four pillars to remain at the forefront of our industry – not just in Australia, but globally.

Innovation and What's Next

I'm also pleased to share that we are preparing to launch a new product range to the market in the first half of 2026. These innovations have been in development throughout 2025 and are currently undergoing final testing and field trials.

The new product range we will be introducing is called X-Clad™. This innovative new range targets a gap in the market where extreme resistance to wear and fine particle erosion is required at more competitive pricing.

These products represent the next evolution of our technology – smarter, more efficient, and more sustainable solutions that respond directly to the needs of our customers and the industries we serve.

We look forward to sharing more in the months ahead, and we're confident these products will expand the market in new applications in many industries including fluid handling, mining, minerals processing, food processing, energy (including oil, gas and renewables), and steel and aluminium.

Trading update

Our FY26 results to date reflect the strong momentum from the second half of FY25, with a robust order book extending into calendar 2026. The July to October period delivered revenues of \$15.9 million and an NPBT (prior to our share of Gateway's profits) of \$2.5 million.

While our orderbook remains healthy well into 2026, the Christmas period typically creates operational challenges as we convert orders into revenues. Year-end customer requirements mean we must carefully manage competing demands against available resources, and some larger, more complex projects will likely be completed in January. This is a familiar pattern LaserBond manages successfully each year.

Closing

In closing, I would like to thank our shareholders for their continued support, our Board for their guidance, and most importantly, our team — the engine behind everything we do.

LaserBond has a strong foundation, a clear purpose, and a strategy for growth. I'm honoured to lead this next chapter, and I look forward to working with all of you as we continue to innovate and grow.

Thank you.